



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 23, 1998

S. 1283

An act to award congressional gold medals to the "Little Rock Nine" on the occasion of the 40th anniversary of the integration of the Central High School in Little Rock, Arkansas

As passed by the Senate on July 15, 1998

S. 1283 would authorize the President to present gold medals to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, referred to as the "Little Rock Nine," on behalf of the Congress. To help recover the costs of the gold medals, the legislation would authorize the U.S. Mint to strike and sell bronze duplicates of the medals at a price that covers production costs for both the medals and the duplicates.

Based on the costs of recent medals produced by the Mint, CBO estimates that authorizing the gold medals would increase direct spending from the U.S. Mint Public Enterprise Fund by about \$65,000 in fiscal year 1999, largely to cover the cost of the gold for each medal. The Mint could recoup some of those costs by selling bronze duplicates to the public; however, based on the sales of duplicates in previous cases, we expect that the proceeds from the duplicates would not cover the cost of the medals.

In addition to authorizing the gold medals, the legislation would allow the Mint to continue selling coins commemorating Jackie Robinson through the end of this calendar year. CBO estimates that extending the time by which the Mint can sell these coins would increase collections to the Mint by about \$1 million over fiscal years 1998 and 1999. (The Mint's authority to sell the coins expired on July 1.) According to the Mint, it has close to 80,000 coins in its inventory. If the Mint were to sell all of its remaining inventory, it would generate between \$3 million and \$5 million in additional collections, net of surcharges that must be paid to the Jackie Robinson Foundation, a nonprofit organization. That range depends on whether the Mint would sell some or all of the coins in bulk at a discounted price. Based on the sales of previous commemorative coin programs and because the coins were available already for purchase by the public, CBO expects that the Mint would sell far less than the amount of its remaining inventory. In any event, because the Mint can retain and

spend the additional collections on other commercial activities, CBO estimates that the provision would have no net budgetary impact over time.

S. 1283 would affect direct spending, so pay-as-you-go procedures would apply. S. 1283 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is John R. Righter. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.